Ms. Veronique Jenn Treyer  
Director  
Planète Enfants et Développement (PE&D)  
53 bd de Charonne  
75011 Paris  
France  

Re:  JSDF Grant No.TF0B2469  
Community-based Childcare for Garment Factory Workers Project  
Letter Agreement

Dear Ms. Treyer:

In response to the request for financial assistance made on behalf of Planète Enfants et Développement ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("Bank"), acting as administrator of grant funds provided by Japan ("Donor") under the Japan Social Development Fund ("JSDF"), proposes to extend to the Recipient for the benefit of the Kingdom of Cambodia ("Member Country"), a grant in an amount not to exceed two million seven hundred thousand Dollars (USD2,700,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Inguna Dobraja
Country Manager

AGREED:

PLANÈTE ENFANTS ET DÉVELOPPEMENT

By ____________________________________________
Authorized Representative

Name __________________________
Title __________________________
Date 05/04/2020

Enclosures:

(1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019

(2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:

(a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.

(b) “Advisory Committee” or “AC” means the committee referred to in Section 2.01, Part 1.A (iv) of this Annex, to be established no later than one month after the opening of each CBCC, comprising of relevant stakeholders in communes, for the purpose of holding each CBCC accountable for the quality of services provided.

(c) “Category” means a category set forth in the table in Section 3.01 of this Agreement.

(d) “CBCC” means community-based childcare centers referred to in Section 2.01, Part 1 of this Annex, which will be established and supported by the Project to provide childcare services to garment factory worker families and to other families as may be identified through consultations with the main stakeholders involved in the Project and agreed by the Bank.

(e) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated November 29, 2019 which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.


(g) “Implementing Partner” means a local non-governmental organization which has received a Sub-grant from the Recipient in accordance with Section 2.03 of this Annex and “Implementing Partners” means, collectively, the plural thereof.

(h) “MoYES” means the Member Country’s Ministry of Education, Youth and Sports, or any successor thereto.

(i) “Operating costs” means an amount equivalent to 15% of the Grant to cover the reasonable costs of incremental expenditures incurred by the Recipient in the implementation of the Project (which expenditures would not have been incurred absent the Project), including operating cost of CBCCs, caregiver subsidies, leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses, transportation, translation, printing, photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, salaries of PE&D personnel up to 5% of the Grant amount, all based on an annual budget as may be agreed upon by the Bank but excluding consultants’ services, salaries of civil service officials, and salaries of personnel from sub-contracting agencies., bonuses, fees and honoraria of the Recipient’s staff.

(j) “Participating Factory” means any garment or footwear factory as identified by the Recipient and agree to participate and apply the mechanisms set forth in the Project Implementation Manual, and “Participating Factories” means, collectively, the plural thereof.

(k) “PE&D” means Planète Enfants et Développement, a French non-governmental organisation, created in 1984 to support child victims of the civil war in Cambodia and the main implementing agency for the Project.

(l) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.

(m) “Project Implementation Manual” means the manual adopted by the Recipient, in form and substance satisfactory to the Bank, setting forth the policies and procedures that apply for the carrying out of the Project, which include, inter alia: (a) the roles and responsibilities of each of the entities involved in Project implementation, including Sub-grants beneficiaries; (b) the staffing requirements for the Project; (c) the criteria and mechanisms for engaging with Participating Factories and Sub-grants beneficiaries; (d) the indicators to be used in the monitoring and evaluation of the Project; (e) the procedures for accessing, disbursing and accounting for funds under the Project; (f) procurement and financial management procedures; (g) procedures for selecting members of the Steering Committees. The Project Implementation Manual may be amended from time to time with the prior approval of the Bank.

(n) “PSC” means the Project Steering Committee referred to in Section 2.03 of this Annex, to be established no later than three months after Project effectiveness,
comprising of various stakeholders involved in childcare delivery, for the purpose of providing guidance to the Implementing Agency to ensure the effective implementation of the Project.


(p) "Sub-grant Agreement" means the agreement to be entered into between the Recipient and each Implementing Partner for the purpose of financing the activities to be implemented by each Implementing Partner under Part 2(b) of the Project, and "Sub-grant Agreements" means, collectively, the plural thereof.

(q) "Sub-Grant" means a grant to be made available by the Recipient out of the proceeds of the Grant to Implementing Partners to finance activities to be implemented by such Implementing Partners under Part 2(b) of the Project, and "Sub-Grants" means, collectively, the plural thereof.

(r) "Target Province" means the province of Kampong Speu in the Member Country’s territory, or of any successor(s) thereto and any additional provinces as may be added with the prior approval of the Bank.

(s) "Training and Workshops" means the reasonable costs of goods and services required for the participation of personnel involved in training activities and workshops under the Project, including travel and subsistence costs for training or workshop participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, other costs directly related to training course or workshop preparation and implementation, but excluding consultants’ fees.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to establish sustainable community-based childcare services for garment factory workers that improve employment and labor outcomes, reduce unpaid household childcare and improve child development.

The Project consists of the following parts:

Part 1. Institutional Establishment of Community-based Childcare Centers (CBCCs)

A. Institutional arrangements, systems and procedures

Provision of support for the preparation of relevant documentation required to establish and operate CBCCs, including:

(i) preparation of contracts and other relevant legal instruments for setting-up arrangements between participating factories, childcare provider operators and parents;
(ii) establishment of guidelines for, inter alia, financial management, maintenance, legal procedures, insurance, working conditions and compensation for employees; and
(iii) establishment of an Advisory Committee (AC) for each CBCC, including the preparation of the AC operating guidelines and responsibilities;
(iv) design and set-up of each CBCC’s financial structure, including payments system mechanism and related management information.

**B. Childcare Center Facility Preparation**

Provision of support for the preparation of facilities including:

(i) identification of available land in communes;
(ii) negotiations of agreements for land donated by private land owners;
(iii) renovation/construction of CBCCs in identified locations according to the established standards; and
(iv) conducting training on applicable social and environmental risks management policies associated with the Project to ensure compliance.

**Part 2. Capacity Building of CBCC Workers and Families**

(a) Carry-out a program of activities designed to strengthen the capacity of CBCCs through:

(i) preparation of a CBCC caregiver training manual and other relevant training materials;
(ii) development of a national certification program for caregivers;
(iii) creation and launching of an electronic learning platform for use by caregivers to enhance their professional development; and
(iv) development of a training program for AC members and local government representatives aimed at raising awareness, knowledge, and relevant skills in childcare services delivery standards, including maintenance and improvements of childcare facilities.

(b) Carry out a program of activities, including through the provision of Sub-grants, designed to:

(i) prepare and deliver parent/family caregiver education training programs on the application of childhood development methods, household financial management, prevention of gender-based violence and violence against children and other topics;

(ii) support the health of children enrolled in the CBBCs, including healthy meal preparation and cooking methods as well as training parents and CBCCs meal delivery providers and CBCC caregivers and supervisors on such methods; and

(iii) support regular medical check-ups of children enrolled in CBCCs and to provide first aid training for staff, including organizing regular visits by local health centers outreach teams.

**Part 3. Community-based Childcare Service Delivery**

(a) Support the recruitment and supervision of CBCC managers and caregivers.

(b) Provision of support in: (i) quality control of the CBCCs operations; (ii) conducting awareness-raising and enrolment campaigns in target areas; and (iii) educating the management of the participating factories on the operations, activities and benefits of the CBCCs.

(c) Support the organization of the day to day enrollment of children for CBCC services to maximize the use of the CBCC facilities at all times of operations.
Day to day childcare service delivery financed primarily by factories, parent fees and other funding sources, except in the case of gaps in CBCC operational financing which may be filled on a limited basis by Project funds.

Part 4. Project Management, Monitoring, Evaluation and Knowledge Dissemination

(a) Provision of technical and operational assistance on all aspects of Project management and implementation, including knowledge dissemination; and (b) provision of sub-grants for monitoring and evaluation.

2.02. Project Execution Generally. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. Institutional and Other Arrangements.

A. Institutional Arrangements

The Recipient shall:

(a) maintain throughout the implementation of the Project, a PSC, with structure, functions, membership, terms of reference and responsibilities satisfactory to the Bank, including the responsibility to ensure effective Project implementation;

(b) (i) furnish to the Bank, for review and approval, as soon as available but in any case not later than November 30 of each year, the detailed annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Bank shall have reasonably requested; and (ii) thereafter ensure that the Project is carried out in accordance with such plan and budget as agreed with the Bank;

(c) carry out the Project in accordance with the Project Implementation Manual. Except as the Bank may otherwise agree in writing, the Recipient shall not amend or waive any provision of the Project Implementation Manual. In the event of a conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail;

B. Sub-Grants

The Recipient shall:

(a) make Sub-grants to Implementing Partners in accordance with eligibility criteria and procedures acceptable to the Bank as set out in the Project Implementation Manual and under Sub-Grant Agreement with respective Implementing Partner, which shall include a description of the eligible Sub-project activities and expenditures to be financed out of the proceeds of the respective Sub-grant, and the amount of the Sub-grant which shall be denominated in USD;

(b) obtain rights adequate to protect its interests and those of the Bank, including the right to: (i) suspend or terminate the right of the Implementing Partner to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Implementing Partner's failure to perform any of its obligations under the Sub-grant Agreement; and (ii) require each Implementing Partner to: (A) carry out its Sub-project with due
diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Recipient and the Bank; (F) enable the Recipient and the Bank to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Bank all such information as the Recipient or the Bank shall reasonably request relating to the foregoing.

(c) exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions."

2.04. **Environmental and Social Standards.**

(a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

(b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:

(i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

(ii) sufficient funds are available to cover the costs of implementing the ESCP;

(iii) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

(iv) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(c) The Recipient shall:

(i) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the
management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

(ii) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including the health and welfare of the children who are being cared for at the CBCCs, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

(d) The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

2.05. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after each calendar semester, covering the calendar semester.

**Article III**

Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consulting Services under the Project</td>
<td>539,096</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods under the Project</td>
<td>271,306</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works under Part 1(b) of the Project</td>
<td>736,500</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training and Workshops under the Project</td>
<td>198,848</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Operating Costs of the Project</td>
<td>404,250</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Sub-grants under Part 2(b) and 4(b) of the Project</td>
<td>550,000</td>
<td>100% disbursed amount</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>2,700,000</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>
3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement; or

(b) under Category (6) unless the Project Implementation Manual has been prepared and adopted by the Recipient.

3.03. **Withdrawal Period.** The Closing Date is March 31, 2024.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Regional Coordinator for Cambodia and Vietnam.

4.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient’s Address is:

Planète Enfants et Développement  
53 bd de Charonne  
75011 Paris  
FRANCE

and

(b) the Recipient’s Electronic Address is:

E-mail: veronique.jenn-treyer@planete-eed.org

4.03. **Bank’s Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank’s address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

and

(b) the Bank’s Electronic Address is:

Telex: Facsimile:

248423 (MCI) or 64145 (MCI)  
1-202-477-6391